

# The Financial Times of Indiana

## Budget and Tax News from the Office of Governor Frank O'Bannon

Friday, May 10, 2002

[www.IN.gov/gov](http://www.IN.gov/gov)

### The News in brief...

#### Special Session offers chance to save jobs, protect homeowners and schools

For the last seven months, Governor O'Bannon and Lieutenant Governor Kernan have spoken loudly and clearly about the need for lawmakers to take action that will create good jobs for Hoosiers, protect homeowners from skyrocketing property taxes and protect Indiana schools.

In four days, the lawmakers who in the regular legislative session chose inaction rather than action to achieve those three goals have another chance to act. And the lawmakers who worked so hard to encourage action will take up the fight again.

Governor O'Bannon and Lieutenant Governor Kernan will be among those fighting for strong action for Hoosiers on Tuesday when Indiana's 150 lawmakers return to the Statehouse for Special Session.

"We said last fall that Hoosiers cannot afford to wait for our tax structure to be updated and for our recession-driven revenue shortfall to be addressed," the Governor said. "But some in the General Assembly forced us to wait, and while we waited, our revenue collections continued to decline, putting the state budget hundreds of millions of dollars in deficit. Thousands of workers lost their jobs and who knows how many new jobs did not locate here because our tax structure is so outdated to business. And the risk of double-digit property tax bills for homeowners grew closer instead of being eliminated."

"I hope all of our lawmakers will do what needs to be done so Hoosiers will not have to suffer any longer," he said.

The Governor and Lieutenant Governor this week kept pushing for action. O'Bannon announced the latest revenue report, held a statewide press conference to announce his plan to use federal money to enhance the state's employment services and wrapped up the week talking to newspaper reporters statewide about his hope for action during the Special Session.

Lieutenant Governor Kernan, visited a Richmond business to echo that hope. "All of us want to increase job growth, ensure continued education success and protect homeowners. And if everyone shares these goals, there's no reason this session can't be fruitful and benefit the people of the state of Indiana."

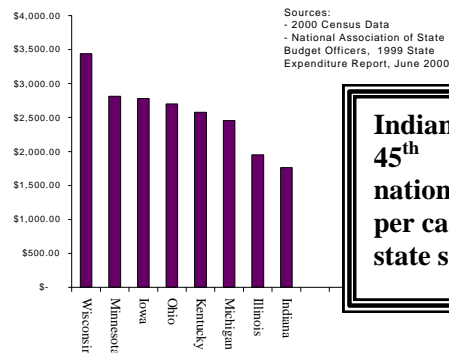
### What Others Are Saying

"Legislators need to be looking not just at the state budget but at the state's overall economy and the burden placed on it by an antiquated tax structure. April's disappointing revenue is another piece of evidence that doing things in the same old way will leave Indiana continuing to fall behind. Legislators who think there is no need to act are blinding themselves."

**Elkhart Truth, 5-8-02**

### Our Taxes Are Low

Per Capita State Expenditures - 1999



**Indiana ranks  
45<sup>th</sup>  
nationwide in  
per capita  
state spending.**

### JOBS to help Hoosiers find jobs

The Governor's new program called "JOBS" (Job Opportunity Business Services) would use the state's share of the national stimulus package -- \$175 million -- to jumpstart Indiana's economy. The federal government allows the money to be spent only on unemployment programs and benefits. If the General Assembly approves the JOBS plan, the state's current job placement services would be doubled, and the state would focus on connecting Hoosiers to high-tech, high-paying jobs.



### Protecting Hoosier Schools

Governor O'Bannon has asked the General Assembly to address the budget deficit so he will not have to make additional cuts in education.

In a May 7, 2002, letter, the Indiana State Teachers Association (ISTA) and the Indiana Federation of Teachers (IFT) outlined what is already happening in Hoosier schools and asked lawmakers for help. "The net effect of the current state budget crisis will be a drastic elimination of more than 1,100 teaching positions, which will result in substantial damage to public education programs and services..." they wrote, adding... "many school corporations have already announced that class sizes will increase, ISTEP remediation will be diluted, and full-day kindergarten will be discontinued. ISTA and IFT asked lawmakers to take action during this special session to **provide additional revenues to alleviate the state budget deficit; assure that revenues are sufficient to provide funding in the next biennium; and assure that revenues are available to fund the standards and accountability mandate.**

Inaction, the education leaders continued, "will substantially harm the quality of education in every public school and ultimately will undermine attempts to revitalize Indiana's economy."

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